

News Release

PRESIDENT DONALD J. TRUMP HELPS MILLIONS OF AMERICANS EMPLOYED BY SMALL BUSINESSES GAIN ACCESS TO QUALITY, AFFORDABLE HEALTH COVERAGE

WASHINGTON, DC – The U.S. Department of Labor is helping millions of working Americans gain access to quality, affordable health insurance for themselves and their families.

Many small businesses and their employees have struggled with government restrictions that limit access to quality, affordable health coverage. This Association Health Plan (AHP) reform will address many of the inequities between small and large businesses in access to that coverage.

Many small business owners cannot afford to offer health insurance to their employees. The percentage of small businesses offering healthcare coverage has been dropping substantially. For the self-employed, the individual market exchanges do not offer affordable coverage either; premiums more than doubled between 2013 and 2017 with deductibles increasing even more.

This reform allows small employers – many of whom are facing much higher premiums and fewer coverage options as a result of Obamacare – a greater ability to join together and gain many of the regulatory advantages enjoyed by large employers.

Under the Department's new rule, AHPs can serve employers in a city, county, state, or a multi-state metropolitan area, or a particular industry nationwide. Sole proprietors as well as their families will be permitted to join such plans. In addition to providing more choice, the new rule makes insurance more affordable for small businesses. Just like plans for large employers, these plans will be customizable to tailor benefit design to small businesses' needs. These plans will also be able to reduce administrative costs and strengthen negotiating power with providers from larger risk pools and greater economies of scale.

"President Donald J. Trump is expanding affordable health coverage options for America's small businesses and their employees. Many of our laws, particularly

Obamacare, make healthcare coverage more expensive for small businesses than large companies," said U.S. Secretary of Labor Alexander Acosta. "AHPs are about more choice, more access, and more coverage. The President's decision helps working Americans – and their families – purchase quality, affordable health coverage."

The rule includes several safeguards. Consumer protections and healthcare anti-discrimination protections that apply to large businesses will also apply to AHPs organized under this rule. As it has for large company plans since 1974, the Department's Employee Benefits Security Administration will monitor these new plans to ensure compliance with the law and protect consumers. Additionally, States will continue to share enforcement authority with the Federal Government.

The Congressional Budget Office (CBO) estimates that millions of people will switch their coverage to more affordable and more flexible AHP plans and save thousands of dollars in premiums. CBO also estimates that 400,000 previously uninsured people will gain coverage under AHPs.

The new rule does not affect previously existing AHPs, which were allowed under prior guidance. Such plans can continue to operate as before, or elect to follow the new requirements if they want to expand within a geographic area, regardless of industry, or to cover the self-employed. New plans can also form and elect to follow either the old guidance or the new rules.

In October 2017, President Donald J. Trump issued Executive Order 13813, "Promoting Healthcare Choice and Competition Across the United States." The Executive Order called for the Secretary of Labor to consider expanding access to health coverage by allowing more employers to form AHPs. The Department used its delegated authority under the Employee Retirement and Income Security Act of 1974 in developing this regulation.

Information about the [rule](#) and other resources are available on the Department's [website](#).

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